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**From:** ROHR Alert <rohralert@gmail.com>  
**Sent:** Friday, March 20, 2020 8:35 AM  
**To:** undisclosed-recipients:  
**Subject:** ROHR ALERT!! Disconsonant Dissembling

Dear Subscribers,

Rapid psychological shifts relate to a now hypersensitive 'Perverse Trend Logic' in all asset classes. That is due the evolving extreme circumstances under which the various markets are reacting under COVID-19. The ultimate culprit behind all of this is the markets being a 'discounting mechanism' for future developments.

And we are coming to you earlier than usual after all regular economic releases are in the market this week, and the central banks have made their major attempted economic rescue moves. That now includes the Peoples Bank of China cutting its base rate to the 3.25%-3.15% range today (almost a full percent.)

For those who've not heard it before, the idea of a 'discounting mechanism' gets back to the old axiom, "*The market is a creature of anticipation.*" In that sense it is always 'discounting' (i.e. attempting to price in anticipated influences) future news and politico-economic influences. As explored in Thursday's 'What Price?' ALERT!!, the ultimate problem now with repricing markets to reflect real value is that "*...the US government and its minions were as unprepared to deal with the COVID-19 outbreak as they were to fathom the full dimensions and impact of the 2008-2009 financial crisis.*" It is a matter of sustained 'disconsonant dissembling' by the folks at the top, where President Trump is always the Dissembler-in-Chief.

While there is more below, it is important to note Trump's serial misstatements or outright falsehoods had led to the emptying of the 'well of confidence' (see our March 12th ALERT!! on that.) The US government failure on the lack of COVID-19 testing kits has led to the message from Trump as recently as Thursday that, (paraphrased) "*...if you have no symptoms, there's no need for you to get tested.*"

In the context of the COVID-19 two-week 'stealth' (i.e. asymptomatic) contagion period... that's crazy! As noted previous and reinforced by the extensive Reuters article (<https://reut.rs/3a2NyZh>) noted Thursday, South Korea was much more prepared in any event simply by identifying the necessity and ramping up the COVID-19 tests production. By comparison the US lacked leadership on testing.

The lack of Mr. Trump's ability to admit a major problem was coming (not possible on his watch) versus seeming very demure and (falsely) assuring the American public that the government had it under control was, and remains, a major failure.

Quite a bit of blame has been laid at the feet of a 'bad' old system for medical device approval. And that is true to some degree. Yet Trump came in as the 'get it done' kind of leader who could slash 'red tape'. And in that regard his inability to shove the old rules aside to motivate the private pharmaceutical sector to solve the problem of a lack of test kits (as South Korea did) is a signature failure.

This has led to the disconsonant dissembling that is cover for failure. Successful testing had allowed South Korea to close down selective areas of its economy. The alternative for testing-deficient US is wholesale quarantine shutdown of almost the entire economy. Hence the market 'discounting mechanism' leading to the diabolically deep drop in US equities attempting to anticipate a worst-case scenario, even if that is now being buffered by more

success with government rescue steps now than prior to the October 2008 financial crisis meltdown.

This is why we noted Thursday the shocking 'impulse wave' of US equities failure might be over, even if the trend will likely remain bearish in the near-term. That seems to be the case, pending further government intervention developments.

Yet the wild 'Perverse Trend Logic' psychological swings have also infected the other asset classes. Note how the global govies exploded on the anticipation of extended economic weakness, then sold off massively on fears over government intervention fiscal costs. The latter was exacerbated by a 'perverse' thought that if the economy was indeed weak enough (think Great Depression), then the taxable base to create government income might also be heavily depressed.

Well, at least at present it seems the govies are recovering from their recent strikingly sharp selloffs. That is perversely due to some thought that the global governments' stimulus might actually save a goodly portion of the economy for the time when the COVID-19 threat diminishes. The same has been true for developed currencies where there was first a US dollar 'haven' on the problems elsewhere, a short-term US dollar debacle on COVID-19 coming here, and then a US dollar explosion on the ballooning of COVID-19 problems elsewhere.

All quite significantly changeable 'Perverse Trend Logic' hypersensitive shifts under extreme future prospect considerations for the US and global economy. And no surprise along the way emerging currencies suffer on weaker prospects.

Courtesy Repeat of Thursday's critical consideration

The COVID-19 virus spread had caused the US equities intermediate-term bull psychology to 'crack'. Yet does this signal a 'breakdown' into a bear trend? The current selloff back below the front month S&P 500 future 2,600 area would speak of that being a greater possibility. As bad as US equities looked on the violation of the key congestion around the mid-2019 highs (highlighted in our previous 'Crunch Time' ALERT!!), the 'broad' trend support has now been violated.

That lower US equities support includes the longer-term weekly chart channel updated as of Friday's Close (<http://bit.ly/3aVpl1u>.) So in addition to June S&P 500 future (front month on Friday) violating the support from the 2019 congestion and push above the multi-year topping line at 3,070, the 3,030-00 previous all-time high congestion, and recent 2,970 DOWN Break below the overall up channel (off of the 2,313 late 2018 low) has been violated.

That was also below front month S&P 500 future congestion in the already noted interim 2,850 area followed by the more prominent 2,750 area. That 2,600 area broadest weekly channel support (also 48-month MA) had a Tolerance to the mid-low 2,500 2018 congestion. That now appears to have failed along with next supports at the late 2018 2,413-09 weekly UP Closing Price Reversal (also historic congestion) already tested. The extreme low trade of that UP CPR is 2,313 (more historic congestion) since the late 2016 rally that it has already traded below. Below that next supports are not until the interim 2,275 and more credible 2,200 mid-2016 congestion. More major lower support is not until the major all of 2015 2,125-00 congestion, and ultimately hefty 2013-2016 congestion at 2,000-1,970.

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